

CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

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1. In November 1954 the Chinese Communist authorities were engaged in the construction of a large tunnel at a secret location in the Amoy area. Many unemployed civilian workers had signed up for this work for which they received 20,000 yuan per day. The workers were assembled each day at a predesignated area where they picked up the necessary tools, such as picks, shovels, baskets, etc. They were then blindfolded and transported to the construction areas. Upon completion of each day's work, they were again blindfolded and returned to the assembly area from which point they proceeded to their homes.
2. The workers did not know the locations of the tunnel exits; they knew only that the tunnels were long and wide. Noise from the blasting often could be heard at various points in Amoy. Some of the people speculated, judging from the sounds made by the dynamiting, that some tunnel construction was being done at Ch'itzuwei (8501/0098/1442) Hill and Langtung (3186/0520) Hill; both hills are in the Kulangyu (7849/3186/1546) area.
3. The number of Chinese Communist troops in the Amoy area was estimated to be more than 50,000 most of whom, judging from their accents, were from North China. Three native soldiers were assigned to each company of regular troops. Each day the troops drilled, practiced swimming, and participated in mock beachhead attacks on the beaches of Amoy and Kulangyu.
4. The Chinese Communist troops are well disciplined and in general respect the civilians. The troops, when borrowing anything from the civilians, are required to issue a receipt for the article and to return the article when they have finished with it. Any damage must be repaired or paid for by the troops. Chinese Communist troops caught stealing military supplies are shot; in July 1954 ten soldiers were caught and publicly executed by the authorities for this offense.
5. Criminals were sentenced to periods of hard labor in Sinkiang Province. HUANG Chin-hsiang (7806/6855/7449), owner of a meat store in Kulangyu, and father of HUANG Yu-p'ing (7806/1342/1627) who was sentenced to ten years at hard labor in Sinkiang

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in 1951, had heard nothing from his son until recently when he received a letter asking for 50,000 yuan a month for spending money. Although the father would have sent the money, the letter bore no return address, so that he did not know where to forward the money.

6. There were three Soviet advisers living on the third floor of the Chung Ying (0022/5391) Hotel in Kulangyu. It was rumored they were engineers. Chinese Communist military personnel reside on the second floor of this hotel.
7. When the Chinese Communist troops occupy civilian property, a certificate to this effect must be issued to the owner of the property. Presentation of such a certificate exempts him from paying the property taxes when next due.
8. Upon instruction from the authorities, block meetings, which were formerly held once each week, have been eliminated. The authorities stated that Amoy had already reached the primary stages of socialism and that such weekly block meetings were no longer necessary.
9. Unemployment was very high in Amoy, a condition making it difficult for people to find means of subsistence; spending had reached a new low. Military personnel are now in a distinguished class because they are so well fed and clothed. For this reason, many people are anxious to join the army. The authorities, however, are very strict in their selection of men, and there is no conscription.
10. All types of private business firms were required to register with the authorities and then were forced to merge into joint enterprises regardless of their size. The government assigns a director to conduct the operation and be responsible for the personnel. Profits derived from such business enterprises are divided by the director among the member firms, regardless of the initial capital investment.
11. The farmers in the Amoy area are required to sell their entire harvest to the Government. In turn, they receive the same ration as any other civilian. The Government has encouraged the farmers to diversify their planting from just that of rice and to include peanuts instead of other crops.
12. The following rations were in effect in Amoy in November:
  - a. Unpolished rice, 20 catties per person per month. There was no polished rice on the market, and the price of unpolished rice was 120,000 yuan per hundred catties.
  - b. Sugar, four taels per person per month.
  - c. Cooking oil, four taels per person per month. Lard could be purchased if one had sufficient money.
  - d. Textiles, 16 Chinese feet per person for each six-month period.
13. College students were not required to pay tuition, room or board; they received a stipend of 70,000 yuan per month, but they were required to accept whatever job they are assigned after their graduation. Middle and primary schools are free to all; however, room and board are not provided. At the middle and primary school level only students who are from the lower income group of military families receive the 70,000 yuan per month stipend. Middle or primary school children from wealthy families are required to pay 50,000 yuan per semester as a medical fee. Other children receive free medical privileges.

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